

SENATE FILE 3065

BY (PROPOSED COMMITTEE ON  
ECONOMIC GROWTH BILL BY  
CHAIRPERSON STEWART)

**A BILL FOR**

1 An Act reducing the amount of tax credits that may be issued  
2 for capital investment in the Iowa fund of funds.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15E.66, subsections 1 and 7, Code 2009,  
2 are amended to read as follows:

3 1. The board may issue certificates and related tax  
4 credits to designated investors which, if redeemed for the  
5 maximum possible amount, shall not exceed a total aggregate  
6 of ~~one hundred~~ forty million dollars of tax credits. The  
7 certificates shall be issued contemporaneously with a  
8 commitment to invest in the Iowa fund of funds by a designated  
9 investor. A certificate issued by the board shall have a  
10 specific maturity date or dates designated by the board and  
11 shall be redeemable only in accordance with the contingencies  
12 reflected on the certificate or incorporated therein by  
13 reference. A certificate and the related tax credit shall be  
14 transferable by the designated investor. A tax credit shall  
15 not be claimed or redeemed except by a designated investor or  
16 transferee in accordance with the terms of a certificate from  
17 the board. A tax credit shall not be claimed for a tax year  
18 that begins earlier than the maturity date or dates stated  
19 on the certificate. An individual may claim the credit of a  
20 partnership, limited liability company, S corporation, estate,  
21 or trust electing to have the income taxed directly to the  
22 individual. The amount claimed by the individual shall be  
23 based upon the pro rata share of the individual's earnings from  
24 the partnership, limited liability company, S corporation,  
25 estate, or trust. Any tax credit in excess of the taxpayer's  
26 tax liability for the tax year may be credited to the tax  
27 liability for the following seven years, or until depleted,  
28 whichever is earlier.

29 7. In determining the ~~one hundred million dollar~~ maximum  
30 aggregate limit in subsection 1 and the ~~twenty million~~  
31 ~~dollar~~ fiscal year limitation in subsection 5, the board shall  
32 use the cumulative amount of scheduled aggregate returns on  
33 certificates issued by the board to designated investors.  
34 However, certificates and related tax credits which have  
35 expired shall not be included and certificates and related tax

1 credits which have been redeemed shall be included only to the  
2 extent of tax credits actually allowed.

3 EXPLANATION

4 This bill reduces the maximum aggregate amount of tax  
5 credits that may be issued under the Iowa fund of funds.

6 Currently, the total amount of tax credits that may be  
7 issued under the Iowa fund of funds program is limited to \$100  
8 million. The bill reduces this amount to \$40 million.